

# Department Budget Presentation

Board of Supervisors  
Budget and Finance Committee  
June 13, 2024





# Vision, Mission, and Objectives

## **VISION**

Every child in San Francisco has the best start in life and our City is a great place to raise a family.

## **MISSION**

To weave together family, community, and system supports so that all children who grow up in San Francisco have a strong foundation of nurturing, health, and learning.

## **IMPACT**

All San Francisco children enjoy a solid foundation to support future success.



## CORE STRATEGIES

### Early Learning

We support teacher preparation and compensation, enhance program quality, and improve affordability and access.

### Child Health

We ensure universal developmental screening and promote access to health and mental health services for children and their families.

### Family Strength

We ensure that families have opportunities for social and professional connections, linkage to resources, and information on parenting and child development.

## STRATEGIC PRIORITIES 2023–2028

Advance racial equity in policy, planning, and service delivery across the early childhood network of care.

Amplify parent voice and influence in shaping policy and programs.

Increase cultural responsiveness of all early childhood development services.

Increase transparency in communications and open access to information and services.



## OUTCOMES

Children enter kindergarten with the cognitive, social/emotional, and physical skills that support school success.

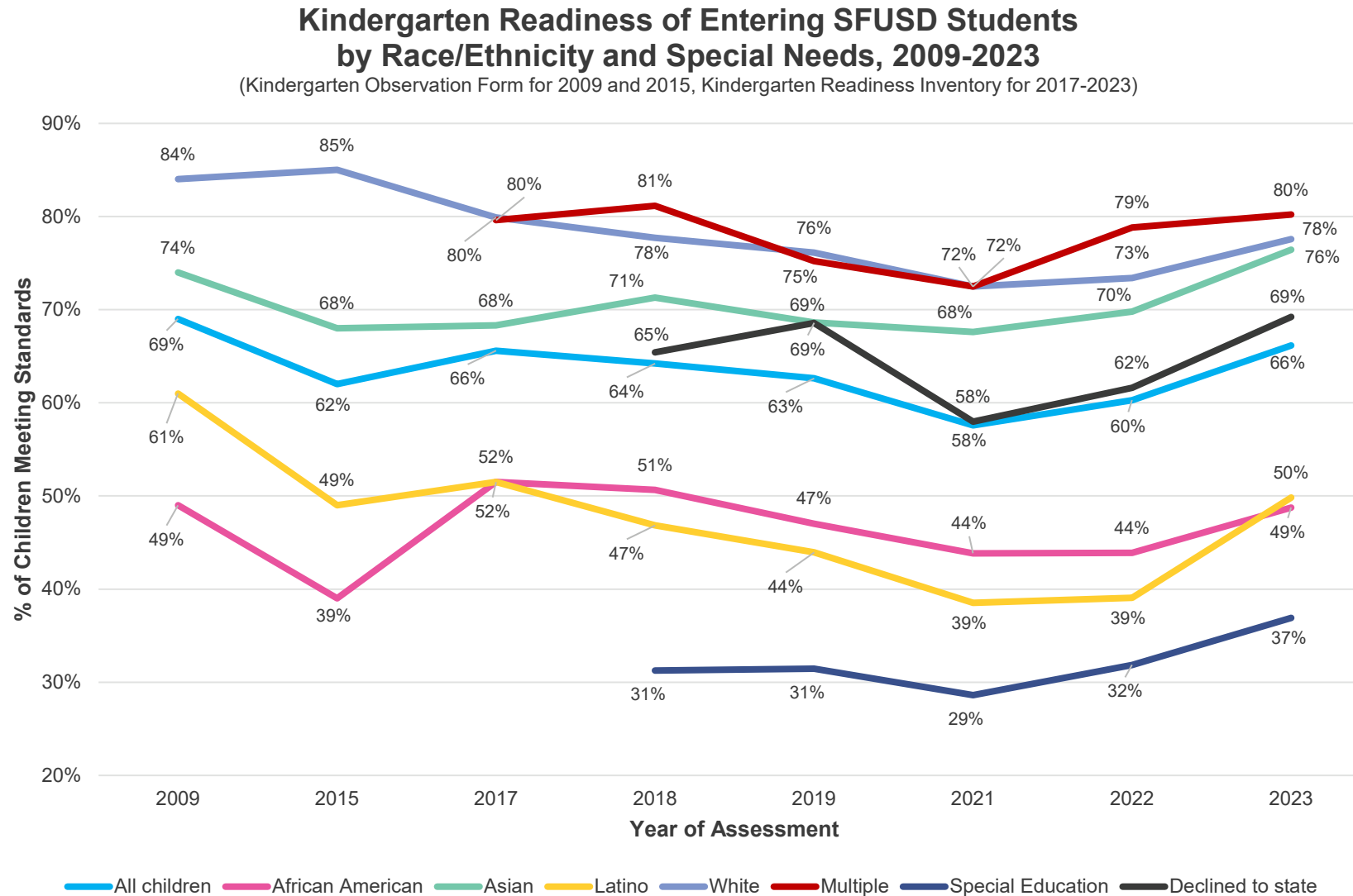
Children are in excellent physical and mental health or have reliable access to quality health providers to address concerns.

Parents have the information, resources, and connections to peers and professionals to successfully raise their children in San Francisco.

And race is not a predictor for achieving these outcomes.



# Recent progress is encouraging for K readiness



# DEC Celebrates First-Year Achievements (2022-23)



**10,000+**

more children eligible for  
free early care and  
education

**67**

child care sites added to  
Early Learning San  
Francisco network

**17**

new early care and  
education facility  
developments creating  
space for 552 more children



**72%**

reduction in number of  
families on the waitlist for  
subsidized early care and  
education

**150%**

increase in infants and  
toddlers enrolled in free high  
quality early care and  
education

**47%**

increase in salaries of 892  
educators working in the  
highest need centers



**\$12,336**

average annual wage  
increase for 1,632 educators  
through stipends

**4,621**

children screened for  
developmental delays or  
special needs

**9,391**

parents and children  
participating in parenting  
classes, playgroups, events,  
and other activities at Family  
Resource Centers



A group of young children are playing in a sandbox outdoors. In the center, a girl with braids and purple hair ties is pouring sand from a blue cup. To her right, another girl with braids and purple hair ties is holding a yellow bowl and a wooden spoon. In the foreground, a girl with dark hair is using a wooden spoon to mix sand in a yellow bowl. A red bucket is also visible in the sandbox. In the background, there are other children and adults, including one wearing a pink hat and a pink jacket. The scene is bright and sunny.

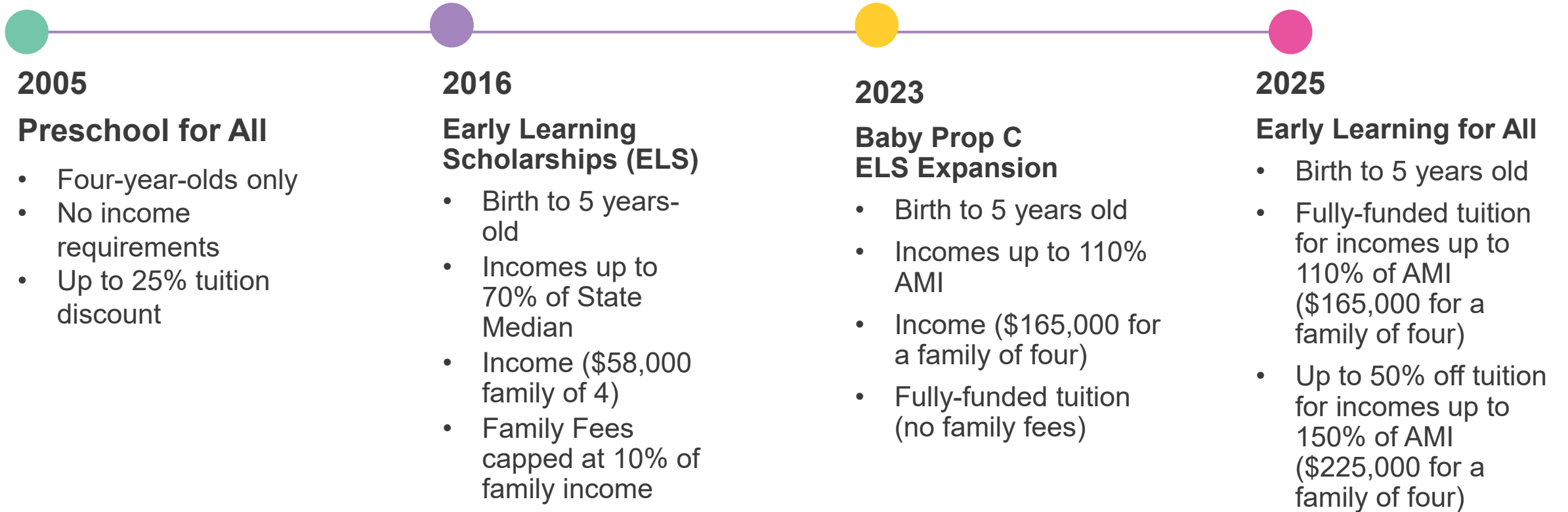
# Early Learning

# Mayor's Announcements: Time for Families is Now!

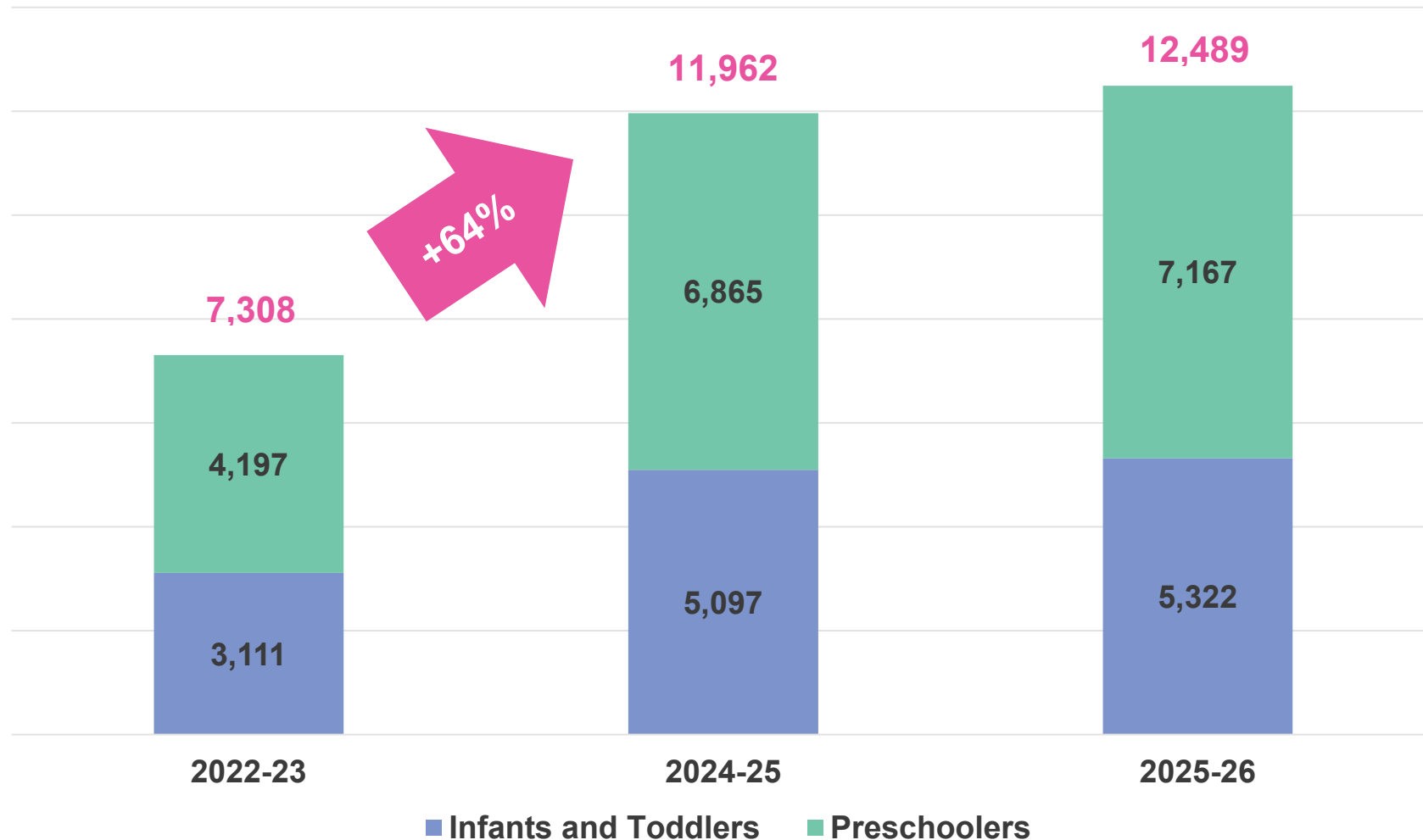
- Largest ever expansion of City-funded early care and education
- Increases eligibility to families earning up to 150% of Area Median Income (\$225,000 for a family of 4); **nearly 2/3 of San Francisco's children ages birth through 5 are eligible**
- \$120 million allocated over two years to accelerate expansion.
- The initial pilot will increase access for 400 children to evening and weekend care for parents working non-traditional hours (e.g., health care, law enforcement, hospitality, and building security).



# San Francisco Leads Early Education Access



# City-funded ECE enrollment expected to grow to unprecedented highs



# ECE Roadmap: Fueling Future Growth

Through **\$75 million allocated from the fund balance**, DEC will fund the training and recruitment of over 400 new educators and launch exciting initiatives for education pathways, apprenticeships, residencies, and incentives for continuing education.



**Early Educator  
Workforce  
Development**



**Quality  
Improvement &  
Expansion**



**New Childcare  
Facilities**

**Building 1,600 new spaces with \$117 million allocated from fund balance** to focus on infant and toddler care facility expansion.

Improving the quality of existing sites to expand DEC's network to **over 500 ECE sites**, adding **1,000 additional spaces** in the next 5 years



# Child & Family Well-Being

# Child Health & Family Well-being Innovations

- **Early Identification and Intervention**

- **\$3.7 million to fund** Universal Screening, Early Intervention, and Specialized Services to improve early childhood outcomes.
- Promote city-wide universal screening and play through mobile technology that directly engages parents as child's first teacher and connects them with a system of care.

- **Child Health Cross-Sector Strategies**

- **\$2 million for expanding inclusive practices** across multiple early childhood settings for thousands of San Francisco children with identified disabilities
- Leverage Medi-Cal reforms to secure new funds, simplify services, increase access to covered benefits, and better serve young children and their families.

# Child Health & Family Well-being Innovations

- **Early Childhood Mental Health**

- **\$5 million to fund** Early Childhood Mental Health Consultation (ECMHCI).
- DEC assumed oversight of the initiative from DPH to align ECMHC with family resource centers and early care and education programming to expand the early intervention system.

- **Family Resource Centers**

- **\$18 million for 27 family resource centers citywide**, bolstering families through supportive relationships and systems, reducing social isolation, and enhancing social support for healthy, happy families. Jointly funded initiative with DCYF and HSA.

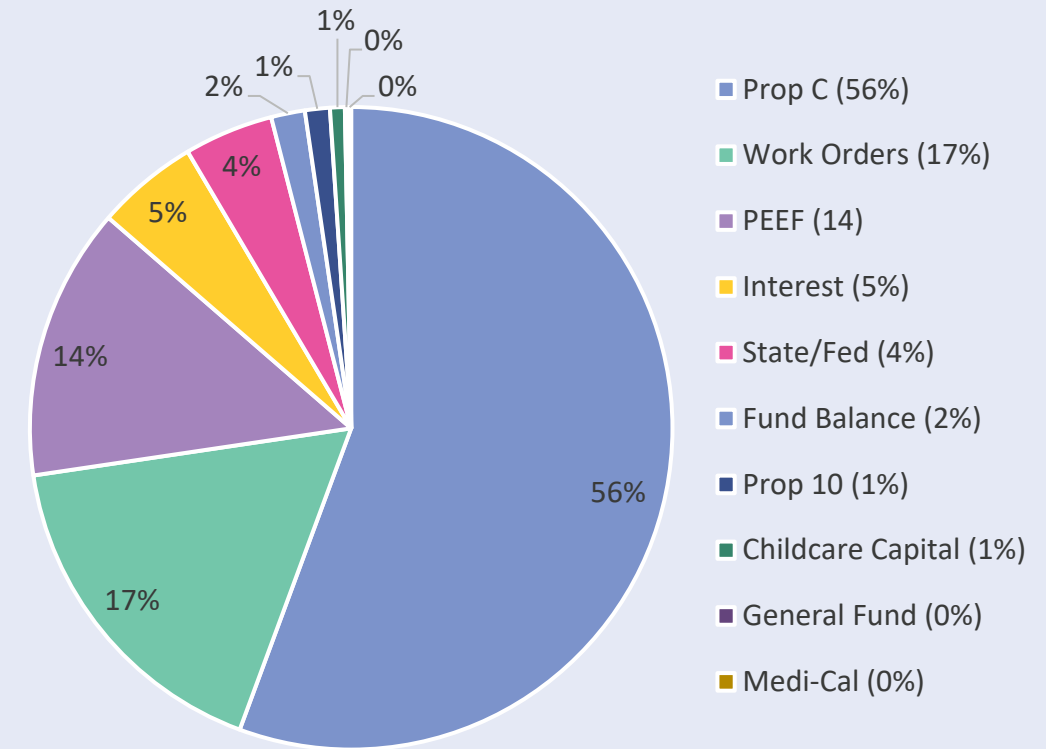
A group of young children are playing in a large wooden sandbox. They are wearing red vests and various hats. Some are using colorful shovels and buckets to play with the sand. In the background, there is a circular wooden platform with some wooden blocks on it. The scene is outdoors with a wooden fence and some plants visible.

# 2024-26 Budget Summary

# Funding Sources & Uses

	Early Care & Education		Children & Families Commission	
Sources (\$M)	FY2024-25	FY2025-26	FY2024-25	FY2025-26
Local Funding				
Proposition C	187.30	184.40		
Public Education & Enrichment Fund	46.18	47.78		
Childcare Capital	2.50	2.50		
Direct General Fund	0.55	0.46		
Fund Balance	5.72	6.91		
Interest	17.18	17.45	0.11	0.11
State Proposition 10 (Tobacco Tax)			4.21	4.32
Work Order Recoveries	43.44	44.04	13.83	14.06
State/Federal Grants	15.10	15.10		
Medi-Cal (County Medi-Cal Admin Activities)			0.50	0.50
<b>Total</b>	<b>\$ 317.97</b>	<b>\$ 318.65</b>	<b>\$ 18.66</b>	<b>\$ 18.99</b>

**FY25 Consolidated Sources (\$336.6M)**

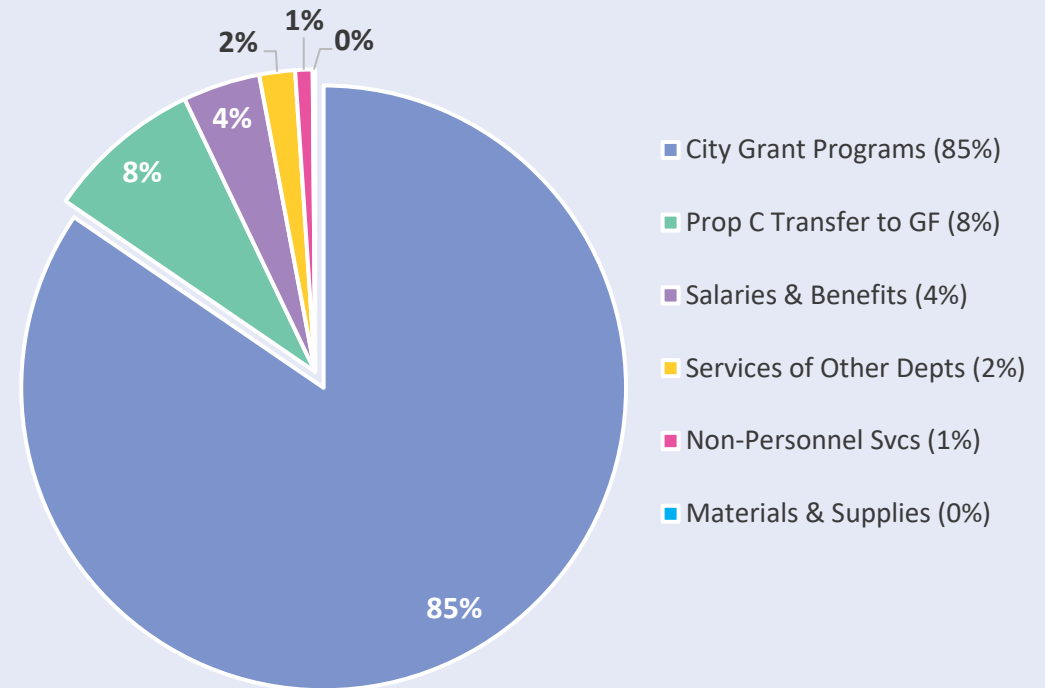


1. Budget based on latest chart of accounts from MYR– Matching of sources and uses pending resolution of work order balancing
2. AAO sources do not reflect programmed use of Prop 10 and Prop C fund balances

# Funding Sources & Uses

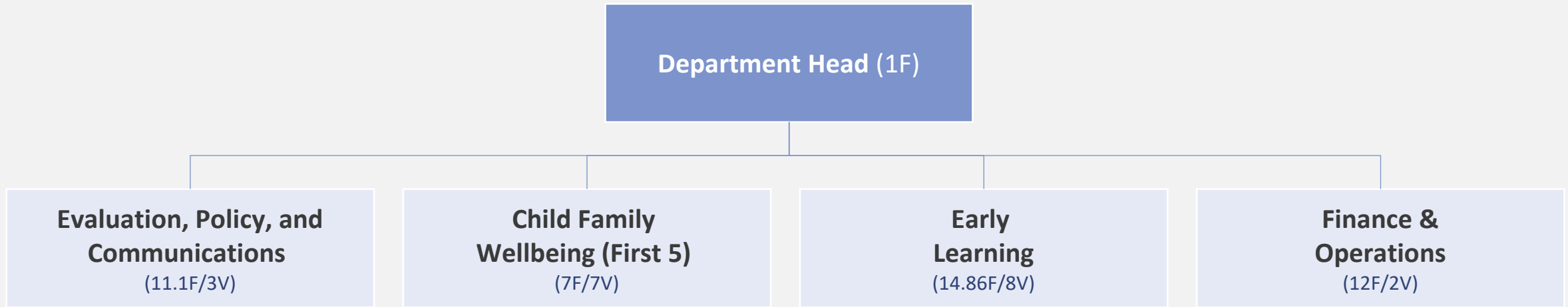
	Early Care & Education		Children & Families Commission	
Uses (\$M)	FY2024-25	FY2025-26	FY2024-25	FY2025-26
Salaries	8.42	8.72	1.63	1.69
Fringe	3.13	3.24	0.74	0.78
Non-Personnel Services	2.89	3.69	0.23	0.11
City Grant Program	268.64	267.84	15.88	16.24
Materials & Supplies	0.44	0.44	0.00	0.00
Services of Other Departments	6.25	6.42	0.17	0.17
Prop C Administration (15% Transfer to GF)	28.10	27.66	0.00	0.00
<b>Total<sup>1</sup></b>	<b>\$ 317.86</b>	<b>\$ 318.01</b>	<b>\$ 18.66</b>	<b>\$ 18.99</b>
<b>Programmed Fund Balance<sup>2</sup></b>	<b>\$ 102.81</b>	<b>\$ 117.34</b>	<b>\$ 3.24</b>	<b>\$ 3.85</b>

**FY25 Consolidated Uses (\$336.5M)**



1. Budget based on latest chart of accounts – Matching of sources and uses pending resolution of work order balancing
2. Balance/Reserves drawn from Prop C (11201) and Prop 10 (11000)

# DEC Organizational Structure



## DEC has a total of 65.96 FTEs for FY23-24

- Started FY24 with 39 positions filled
- Lost 3 employees due to natural attrition
- Hired 10 new employees (as of 6/7/24)
- Currently, there are less than 7% vacancies, with 10 positions in the hiring process
- Expected to post and fill remaining vacancies in FY25

# General Fund Savings

Proposed GF Savings (\$)¹	FY24-25	FY25-26
Target Savings	(1,380,000)	(1,380,000)
Crediting Interest Legislation	(6,568,580)	(16,842,973)
PEEF Carryforward / Fund Balance	(5,695,997)	(6,885,591)
<b>Total²</b>	<b>(13,644,577)</b>	<b>(25,108,564)</b>

Services retained through use of interest and balance

1. Budget based on 5-29-24 chart of accounts – final savings pending resolution of baseline.

2. CODB reductions, baseline adjustments, and unresolved work order imbalances of \$127,337 (FY25) and \$754,675 (FY26) not included in total..

# Mayor's Budget Instructions

- DEC's general fund reductions exceeded the 10% budget instructions (\$13.6 M in FY24-25 and \$25.1M in FY25-26). Through the trailing legislation, DEC will substitute fund sources without programmatic reductions.
- To support the substantive programmatic expansion of Early Learning San Francisco from (0-110% AMI to 0-150% AMI), TEMP FTEs were requested, and FY23-24 savings were achieved through attrition.
- DEC's expansion of Early Learning San Francisco is projected to enroll 5,700 more children, supporting the city's economic vitality. By offering substantial childcare savings to low- and middle-income families, more residents can join the workforce, boosting the local economy and securing a brighter future for all.

# Business & Tax Regulations Code - Early Care and Education Commercial Rents Tax Baseline

- For FY2024-25 Budget local source/general fund baseline obligation of \$93.8 million
- Temporary modification: FY2025-26 through FY2027-28 no increase in baseline.
- Allows using interest earned in the Babies and Families First Fund towards baseline commitments.
- Interest Earned Credits to Baseline: FY2024-25 & FY2025-26: up to \$16.9 million.

Department of Early Childhood (DEC)  
Organizational Chart Proposed 2024-25  
Job Class Details (as of 5/28/2024)

